

News Release

Photon Control Update Litigation Proceedings Involving Former President

Burnaby, B.C., August 16, 2012 ~ Photon Control Inc. (the “Company”) (TSX-V: **PHO**), a leading developer of innovative measurement technologies, announces that the Court of Appeal for British Columbia has released a decision in the litigation involving the Company and John Kidder, who was formerly the President of the Company. The appeal was from a decision of the Supreme Court of British Columbia rendered in July, 2011 in favour of Mr. Kidder, details of which were announced by the Company by news release dated August 2, 2011. The Court of Appeal dismissed the Company’s appeal and upheld the trial decision that the Company did not have the right to rescind a loan agreement with Mr. Kidder and that Mr. Kidder had been dismissed without cause.

The Company is considering its options of further appeal regarding the decision.

About Photon Control Inc. www.photon-control.com

Photon Control Inc. designs and manufactures a wide range of optical sensors and instruments to measure temperature, pressure, position, and flow. These products are used by original equipment manufacturers (OEM) as well as end-users in the Semiconductor, Oil and Gas, Power, Life Science, and Manufacturing industries. Photon Control’s products provide high accuracy and reliability in extreme conditions and are supported by a team of experts that offer onsite installation, training, and support. Photon Control Inc. also provides engineering services for customized optical measurement systems. Headquartered in an ISO 9001:2008 manufacturing facility in Burnaby, BC, Photon Control Inc. is listed on the TSX Venture Exchange, trading under the symbol “PHO”. Additional information about the company can be found at <http://www.photon-control.com/investorrelations.html>

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